



Missouri Department of Natural Resources Energy Center

MISSOURI ENERGY BULLETIN

June 22, 2006

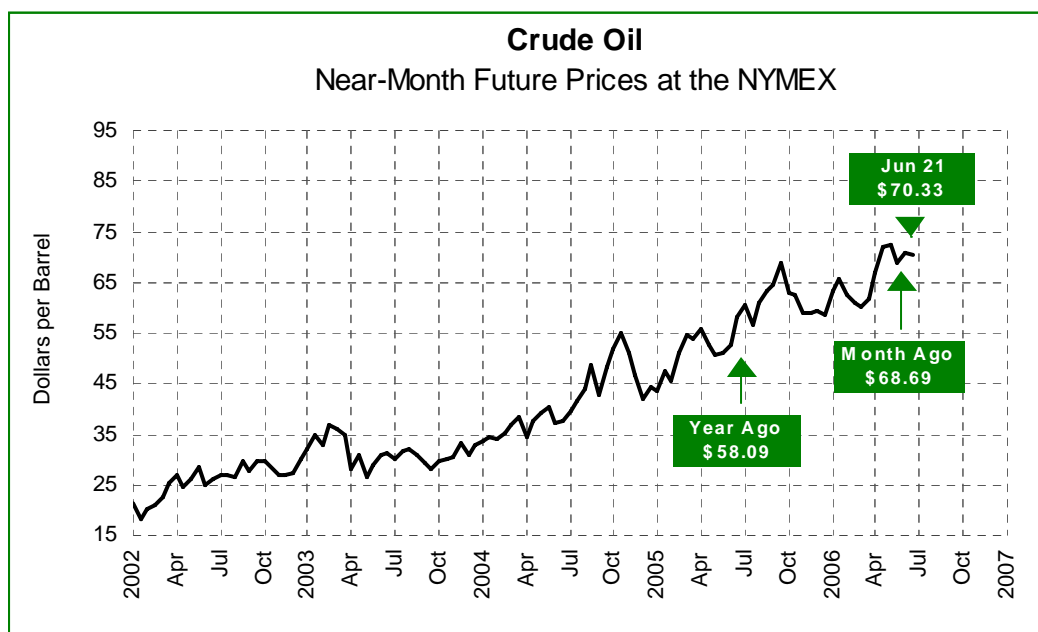
Crude Oil

On June 21, crude oil futures for August delivery on the NYMEX rose \$0.99 from the day before to \$70.33 per barrel amid concerns over summer gasoline supplies and continued unrest in oil-producing countries.

Crude Oil - Near Month Future Prices (dollars per barrel)

	<u>06-21-06</u>	<u>05-17-06</u>	<u>change</u>	<u>06-22-05</u>	<u>change</u>
NYMEX	\$70.33	\$68.69	up 2%	\$58.09	up 21%

- Crude oil prices rose above \$70 per barrel on Wednesday, June 21, following a report from the U.S. Department of Energy that gasoline inventories for the week grew at a slower pace than expected despite higher refinery production levels.
- Refineries are trying to increase gasoline production in June in preparation for the July 4 holiday when travel typically increases. U.S. refineries report operating at over 93 percent capacity, an increase from the prior week. The four-week average ending June 16, for refinery inputs stood at 15.7 million barrels of crude oil per day compared to 16.1 million barrels for the same period last year.



- Earlier this week, oil prices declined following Iran's positive remarks regarding the Western package

of incentives intended to persuade Iran to give up its nuclear enrichment program. However, the market rebounded with crude prices over the \$70-per-barrel mark, following an oil industry labor dispute in Norway and continued attacks on the oil industry in Nigeria by militants. Nigeria is the fifth largest supplier to the U.S. and has seen its daily oil output of 2.5 million barrels per day cut by approximately 20 percent.

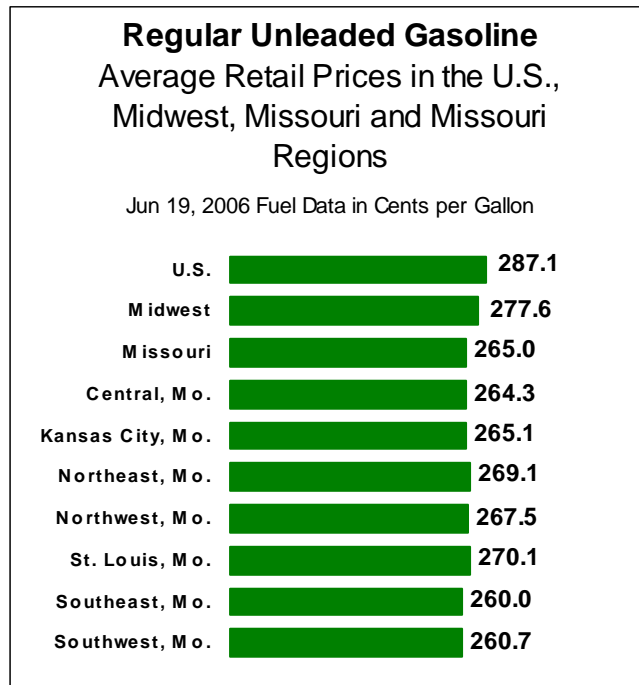
- U. S. crude oil supplies increased 1.4 million barrels to 347.1 million barrels for the week ending June 16, according to the U.S. Department of Energy's weekly petroleum report. This puts U.S. crude inventories at their highest levels since May 1998.
- U.S. crude oil production decreased slightly for the week ending June 16 to approximately 5.2 million barrels per day, staying below the 5.5 million barrels per day at this time last year. Crude imports increased to nearly 11 million barrels compared to 10.2 million barrels per day at this time last year.

Transportation Fuels

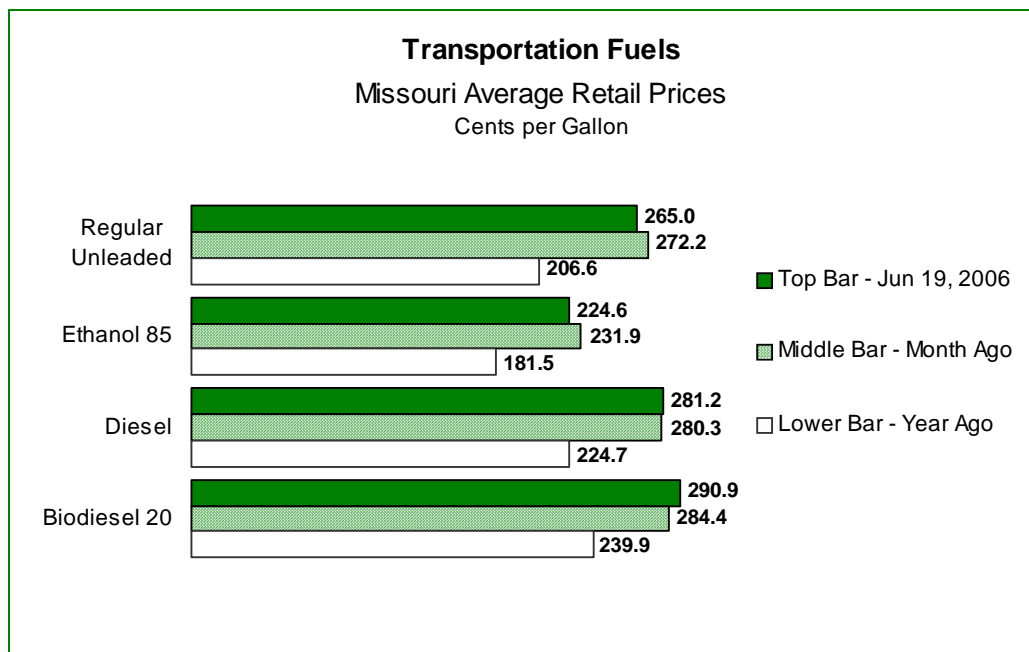
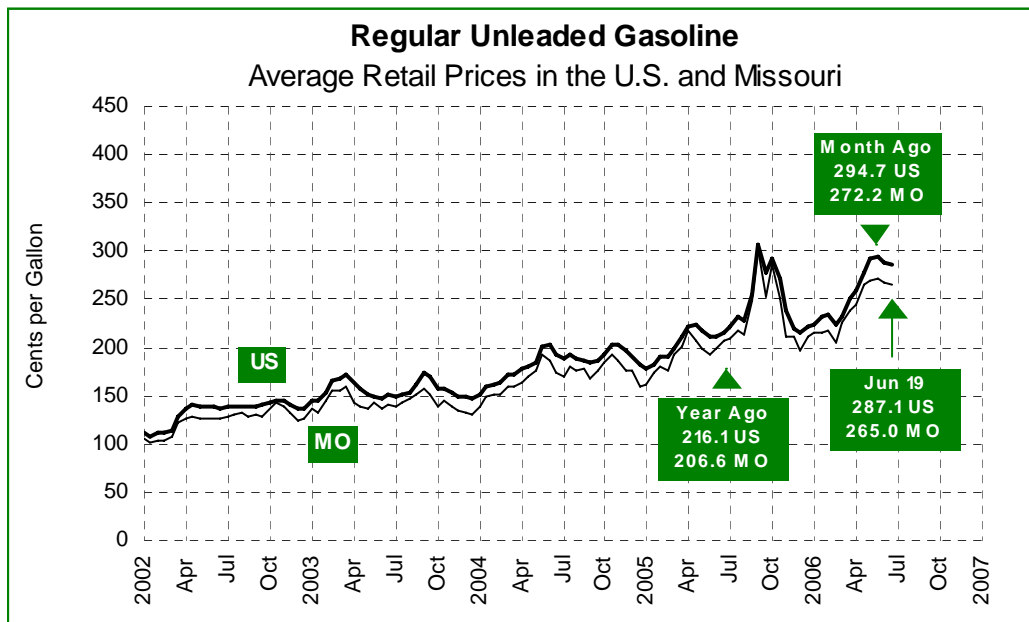
On June 19, Missouri's average retail price for regular unleaded gasoline was \$2.65 per gallon, representing a 3 percent decrease from mid-May.

<i>Regular Unleaded Gasoline - Retail Prices (cents per gallon)</i>					
	<u>06-19-06</u>	<u>05-15-06</u>	<u>change</u>	<u>06-20-05</u>	<u>change</u>
US	287.1	294.7	down 3%	216.1	up 33%
Missouri	265.0	272.2	down 3%	206.6	up 28%

<i>Diesel Fuel - Retail Prices (cents per gallon)</i>					
	<u>06-19-06</u>	<u>05-15-06</u>	<u>change</u>	<u>06-20-05</u>	<u>change</u>
US	291.5	292.0	down 1%	231.3	up 26%
Missouri	281.2	280.3	up 1%	224.7	up 25%



- On June 19, Missouri's statewide average gasoline retail price was down 7.2 cents while diesel retail prices increased less than one cent from last month. Though less than the U.S. averages, prices for Missouri gasoline and diesel are 28 and 25 percent higher than last June, respectively. The U.S. average retail gasoline price was \$2.87 per gallon, a decrease of 7.6 cents from mid-May.



- The average retail price of ethanol (85% blend or E-85) at Missouri retail stations on June 16 was \$2.24 per gallon, a decrease of 7.3 cents, or 3 percent, from mid-May.
- Gasoline supplies are up 300,000 barrels from a week ago at 213.4 million barrels but are 2.5 million barrels lower than last year's level at this time of nearly 216 million barrels. Analysts had anticipated a much larger build in supplies for the week ending June 16, due to the surge in gasoline production to 9.35 million barrels per day, an increase of 1.5 percent for the week and 4 percent from a year ago. Implied demand for gasoline remains strong, contributing to concerns about supplies for the summer and whether the higher gasoline prices are having an impact on demand.

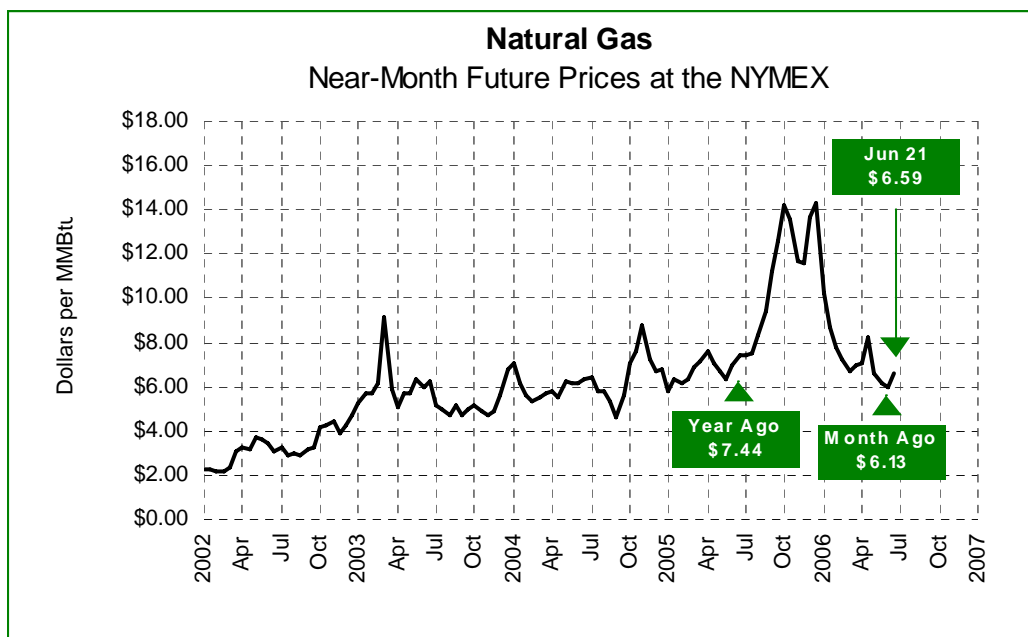
Motor Gasoline - Total Stocks (millions of barrels)					
US	<u>06-16-06</u>	<u>05-12-06</u>	<u>change</u>	<u>06-17-05</u>	<u>change</u>
	213.4	206.4	up 3%	215.9	down 1%

Natural Gas

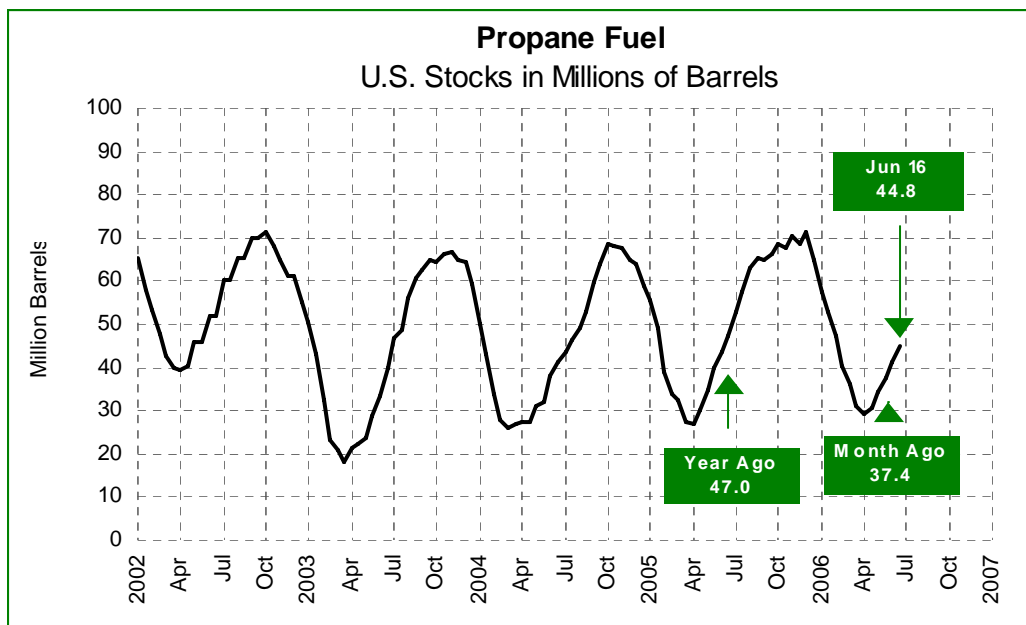
On June 21, natural gas futures closed at \$6.59 per MMBtu, an increase of 7 percent or \$0.46 since last month.

Natural Gas - Near Month Future Prices (dollars per mmbtu)					
NYMEX	<u>06-21-06</u>	<u>05-17-06</u>	<u>change</u>	<u>06-22-05</u>	<u>change</u>
	\$6.59	\$6.13	up 7%	\$7.44	down 11%

- At the NYMEX, the price of the futures contract for July delivery settled at \$6.59 per MMBtu on June 21, an increase of \$.086 from the day before and \$.046 from a month ago. Increased cooling load resulting from the hot temperatures that prevailed in most of the Lower 48 States likely contributed to the recent natural gas price increases.
- Working gas in underground storage as of June 16, was 2,476 Bcf, according to EIA's Weekly Natural Gas Storage Report. U.S. storage levels remain 35 percent above the 5-year average of 1,833 Bcf and 22 percent above last year's level of 2,025 Bcf. As of June 1, the U.S. Minerals Management Service estimated that nearly 1.1 billion cubic feet per day or approximately 11 percent of the Gulf's natural gas production, remains shut down from last fall.



Propane



- U.S. inventories of propane moved decreased by 2.26 million barrels for the week ending June 16, to an estimated 44.8 million barrels, a level that continues to track near the lower boundary of the average range for this time of year. Midwest inventories improved by 0.9 million barrels to 18.7 million barrels for the week ending June 16. Midwest inventories stood at 15.7 million barrels at this time last year.

The Missouri Energy Bulletin is distributed twice a month by the Missouri Department of Natural Resources, Energy Center. The Energy Center collects transportation and propane heating fuel prices from several retail providers located throughout the state. To preserve confidentiality, price data are averaged and reported by region. The Bulletin is a public resource made available to state government decision-makers, other interested individuals upon request and on-line at the Energy Center Internet address. The department thanks each of the following in helping to provide accurate, timely data on fuel supplies and prices: the U.S. Department of Energy's Energy Information Administration; the National Association of State Energy Officials; the St. Louis AAA Auto Club; regional state energy offices; and Missouri's energy retailers. For more information, contact: MO Dept. of Natural Resources, Energy Center, P.O. Box 176, Jefferson City, MO 65102-0176; Phone: (573) 751-3443 or (800) 361-4827; Fax: (573) 751-6860; E-mail: energy@dnr.mo.gov; Web Address: www.dnr.mo.gov/energy/transportation/fb.htm